

Message Text

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ACTION OPIC-06

INFO OCT-01 ARA-06 ISO-00 EB-04 /017 W

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R 161810Z OCT 74

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 1819

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FOR OPIC

E.O. 11652: N/A

SUBJECT: OPIC INSURANCE: FOUR WINDS HOTEL PARTNERSHIP-B (517-72-129

)

REF: (A) CLARK/KENNEDY LTR DTD SEPT. 11, 1974

(B) STATE 226624

1. EMBASSY HAS CONTACTED CENTRAL BANK TOURISM OFFICE
(INFRATUR) REGARDING QUESTIONS RAISED IN REFLTR.

2. DOMINICAN LAW 153 IS OPERATIONAL. THE INVESTOR (WAYNE
FULLER) HAS APPLIED TO THE DIRECCION DE DESARROLLO
TURISTICO FOR RECOGNITION OF HIS PROJECT BUT UNDER THE
COMPANY NAME OF DOMINICUS AMERICANA. A DECISION ON THIS
APPLICATION IS PENDING. THE DIRECTOR OF INFRATUR HAS
PROMISED THE EMBASSY A COPY OF THE RESOLUTION IF AND WHEN
THE RESOLUTION IS APPROVED.

3. AS A GENERAL MATTER, APPROVAL UNDER LAW 153 DOES NOT
RPT NOT AUTOMATICALLY CONVEY APPROVAL FOR SUBSEQUENT CON-
VERTIBILITY AND REPATRIATION. INVESTORS MUST STILL COMPLY
WITH REQUIREMENTS OF MONETARY BOARD RESOLUTION. A TELEPHONE
CHECK WITH CENTRAL BANK OFFICE OF FOREIGN EXCHANGE INDICATES
THAT MR. FULLER HAS NOT RPT NOT FILED AN APPLICATION FOR
REGISTRATION OF HIS PROJECT UNDER THE NAME WHICH HE IS USING
FOR OPIC INSURANCE APPLICATION.

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4. EMBASSY'S UNDERSTANDING OF RELATIONSHIP BETWEEN LAW 153

AND MONETARY RESOLUTION NO. 1 OF 1972 IS THAT APPROVAL OF A PROJECT UNDER LAW 153 ORDINARILY WOULD BE GOOD SUPPORT FOR SEEKING CENTRAL BANK APPROVAL UNDER REQUIREMENTS OF MONETARY RESOLUTION NO. 1. HOWEVER, THEY REMAIN SEPARATE AND DISTINCT PROCEDURES.

5. ACCORDING TO LOCAL BANK SOURCES THE AVERAGE TIME FOR PROCESSING APPLICATIONS FOR CONVERSION OF LOCAL CURRENCY INTO DOLLARS IS THREE - FOUR WEEKS.

6. COMMENT. WE WILL HAVE TO WAIT FOR A COPY OF THE TURISTICO RESOLUTION IN ORDER TO DETERMINE HOW LAW 153 WILL BE APPLIED TO MR. FULLER'S PROJECT.

7. INFRATUR HAS INFORMED US THAT MR. FULLER MAY HAVE DIFFICULTY REGISTERING HIS PROJECT WITH CENTRAL BANK SINCE IT APPEARS THAT HE DID NOT CONVERT ORIGINAL DOLLARS BROUGHT INTO THE COUNTRY THROUGH OFFICIAL CHANNELS. THIS WOULD COVER INVESTMENT EXPENDITURES FOR LAND AND OTHER INITIAL PURPOSES. HOWEVER, FULLER CAN APPLY FOR REGISTRATION OF INVESTMENT ON ANY PORTION FOR WHICH DOLLARS WERE CONVERTED THROUGH OFFICIAL CHANNELS.

8. AS FAR AS EMBASSY CAN TELL AT THIS POINT, MR. FULLER HAS BEEN UNABLE TO SECURE LOCAL FINANCING FOR HIS HOTEL. INFRATUR HAS OFFERED TO PROVIDE FUNDS IF FULLER WILL FIND A LOCAL BANK TO ASSUME LOAN RISK. AT LEAST ONE BANK (ROYAL BANK OF CANADA) HAS DECLINED. INFRATUR DIRECTOR THINKS THE INVESTOR MAY HAVE TO SELL SOME OF HIS LAND TO HELP FINANCE HOTEL PROJECT.

9. UNDER PRESENT CIRCUMSTANCES, IT WOULD APPEAR THAT FULLER'S PROJECT IS NOT RPT NOT ELIGIBLE AT THIS TIME FOR CONVERTIBILITY INSURANCE.

10. EMBASSY SUGGESTS THAT OPIC REQUEST ANY DOCUMENT IT FEELS IT NEEDS DIRECTLY FROM THE INVESTOR. EMBASSY, OF COURSE, WILL ASSIST IN IDENTIFYING OFFICIAL DOCUMENTS.

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11. EMBASSY CANNOT RPT CANNOT IN GOOD CONSCIENCE RECOMMEND APPROVAL AT THIS TIME. INVESTOR APPEARS TO BE ATTEMPTING TO CUT CORNERS AND SHOWS SOME TENDENCY TO EXAGGERATE HIS CLAIMS. WE STILL HAVE NO INFO HERE ON APPLICANT'S CREDIT WORTHINESS. UNTIL THIS PROJECT SHOWS GREATER VIABILITY AND LOCAL ACCEPTANCE PROSPECTS, INVOLVEMENT OF A USG AGENCY DOES NOT APPEAR TO BE IN OUR BEST INTEREST. HURWITCH

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Message Attributes

Automatic Decaptioning: X
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Copy: SINGLE
Draft Date: 16 OCT 1974
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740294-1113
From: SANTO DOMINGO
Handling Restrictions: n/a
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Legacy Key: link1974/newtext/t19741042/aaaabjqc.tel
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